

AMENDED IN SENATE JUNE 25, 2015

AMENDED IN ASSEMBLY MAY 20, 2015

AMENDED IN ASSEMBLY MAY 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 882

**Introduced by Assembly Member Wilk
(Coauthor: Assembly Member Gallagher)**

February 26, 2015

An act to amend Section 15144 of the Education Code, and to amend Section 53508.6 of the Government Code, relating to school bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 882, as amended, Wilk. School bonds: term of bonds: furnishing and equipping classrooms.

(1) Existing law authorizes the governing board of a school district or community college district to order an election and submit to the electors of the district whether the bonds of the district should be issued and sold, and sets forth requirements in that regard, including specifying that the term of a bond shall not exceed 25 years from the date of the bond or bond series.

This bill would specify that the term of a bond *issue* used ~~for purposes of to finance projects that include~~ furnishing and equipping classrooms shall *have a weighted average maturity that does not exceed 120% of the average reasonably expected economic life of the* ~~furnishings and equipment. financed project.~~

(2) Existing law, additionally and alternatively to the authority described above, authorizes the issuance of bonds or refunding bonds by a school district or community college district secured by the levy

of ad valorem taxes, and, pursuant to those provisions, authorizes a school district or community college district to issue bonds that do not allow for the compounding of interest and that have a maturity greater than 30, but no greater than 40 years, in accordance with specified requirements.

This bill, notwithstanding those provisions, would specify that a bond ~~issue used for the purposes of~~ *to finance projects that include* furnishing and equipping classrooms shall ~~have a weighted average maturity that does not exceed 120% of the average reasonably expected economic life of the furnishings and equipment.~~ *financed project.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15144 of the Education Code is amended
2 to read:

3 15144. (a) The number of years the whole or any part of the
4 bonds are to run shall not exceed 25 years, from the date of the
5 bonds or the date of any series thereof.

6 (b) Notwithstanding subdivision (a), ~~the term of a bond issue~~
7 ~~used for the purposes of~~ *to finance projects that include* furnishing
8 and equipping classrooms, including, but not limited to, purchasing
9 electronic equipment, shall ~~have a weighted average maturity that~~
10 ~~does not exceed 120 percent of the average reasonably expected~~
11 ~~economic life of the furnishings and equipment.~~ *financed project.*

12 SEC. 2. Section 53508.6 of the Government Code is amended
13 to read:

14 53508.6. (a) Notwithstanding any other law, a school district
15 or community college district may, pursuant to this article, issue
16 bonds that do not allow for the compounding of interest and that
17 have a maturity greater than 30 years, but not greater than 40 years,
18 if the school district or community college district does both of
19 the following:

20 (1) Complies with the requirements of subdivisions (b) and (c)
21 of Section 15146 of the Education Code.

22 (2) Makes a finding that the useful life of the facility financed
23 with the bonds that do not allow for the compounding of interest
24 and that have a maturity greater than 30 years, but not greater than
25 40 years, equals or exceeds the maturity date of those bonds.

1 (b) Notwithstanding subdivision (a), ~~the term of~~ a bond *issue*
2 ~~used for the purposes of~~ *to finance projects that include* furnishing
3 and equipping classrooms, including, but not limited to, purchasing
4 electronic equipment, shall *have a weighted average maturity that*
5 *does not exceed 120 percent of the average reasonably expected*
6 ~~economic life of the furnishings and equipment.~~ *financed project.*

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